1909–10
(GF)

File No G7 15–09
Serial Nos. 182

MYSORE GOVERNMENT SECRETARIAT

Notes / Correspondence / Collection

Department Finance Section Resources

Subject :— Certain amendments in the rules re: acceptance & ~~safe~~ Treasuries of deposits for charitable purposes favourable rate of interest

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Earlier References :—

Later References :—

(Classification A / B / C)

Notes pages 6
Correspondence pages 35
For/Not for Section note Book
~~To be destroyed after~~

for Under Secretary to Government.

Previous references.

Gf 15-09

File No. 15-

1909-10

(G.7)

Serial Nos. 1 to 2

Later references.

G. 549-11 851-4.

B. June 12

G.F. 729-09

S.F. 122-16 & 9; B. Nov. 16

Gf 124-16 (2, 3, 4 & 5)

Gr 285-2-16 & 16.

GENERAL AND REVENUE SECRETARIAT.

S.F. 92-17 & 1, B. Mar 18

Cir 228-20 & 1, 2 etc

G. F. 214-23-1 & 2

Gr 82-25 — 1, 3, 8, 9, 10

Gf 176-33 (1-3)

Serial Nos. 1 & 2

Law, 75-37-1-2

G. F. 124-41 (1 & 2)

Part B. for June 1909

SUBJECT.

Certain amendments in the rules regulating acceptance of deposits at favourable rates of interest for charitable purposes.

1) To the Heads of departments, Comptroller & Auditor General, Canada, Ottawa.

No. 1432—472—B. 15.7.09

~~Rescind~~ Amend the form of agreement to be executed by depositors under para. 4 of the G.O. P.C. 4003, 19 A. 1884—06 & P.C. 2108 as amended in G.O.C. No. 473—503 / 9 A. 15—

G. R. S. 58 15/7/09

2) To Receiver General, Auditor General & Secretary of Post Office.

No. P.C. 473—503. B. 15 July

With certain amendments [illegible]

G.R.S.11] 1909—10

GENERAL AND REVENUE SECRETARIAT

(G. 7)

NOTES.

File No. 15—09

FILE HEADING.

Certain amendments in the rules
acceptance in Govt. Treasuries of deposits
charitable purposes ~~at~~ favourable rates of
interest.

No.	Dated	Received
Dy No.	Enclos. Spare Copies	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

PD-O

NOTES—First sheet.

GPB—30,000—3-4-07.

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Lo Mesers
Please receipt Rs 149-0-0 towards
attached -
What is Decome of the unexpended
balances if any
Under Mr Mahapa Mantams.
and vouchers explan accounts
The donation does not constitute
an endowment & the
Chettiars
Thro
Lo Mesrs

2 Forwarded to Murzai Seer
for a note for his information
CSB

3 Subm to Dr for perusal of a memo by Mr Ananta Sami Row who dealt with the case as Murzai Seer
CSB
30/5

7397/4/9.7.08 I dissent - This is a case which we have specially agreed to pay a higher rate of interest and in the big sum it would become

N. B. – Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—50,000—11-4-06.

misunderstanding & bookkeeping
and ensure a proper application
of funds if accounts are rendered.
Please place the papers before me.
The Dewan —

85
27.7.08
Submitted [redacted]

5 I do not think it necessary to call upon the dewan to render accounts. It is quite sufficient that he maintains the account of receipts & expenditure, which is open to inspection of Govt officers. This provides adequate guarantee for the fulfilment of the object of the charity.

The unexpended balance if any will be at the credit of the Chairman & brought to the accounts.

27/7/08

1:3
28.7.08 Dewan) 28/7/08

9890
28.7.08

Memo

6 actual keeping of accounts by the local authorities is generally regarded by Inspectors & by Auditors. There are examples of this & there is no reason why the Inspectors. The maintaining of proper accounts & other matters which form part of this section is found on Audit to have led to the framing under relating to Municipal Charters & Corporations Act 1882 GR 5/7/15

Proceedings of the Government of His Highness the Maharaja of Mysore, (Muzrai), dated 7th May 1908.

READ—

1. Notification No. F. L. 400-7—G. L. F. L. 184-06, dated 12th February 1908, publishing rules in regard to the Deposit of moneys on favourable rates of interest by private individuals in Government Treasuries on behalf of benevolent, charitable or educational institutions or objects of public expenditure.

2. Letter, dated 18th April 1908, from Dharmapravartha Gubbi Thotadappa Setty of Bangalore, requesting permission to deposit with the Government of Mysore the sum of Rs. 70,100 at four per cent interest under the rules of the Notification of the 12th February 1908, with a view of securing a permanent income for the charity he has established in Bangalore.

No. 4900-2—Muz. F. 26 of 1902, dated Bangalore, 7th May 1908.

ORDER THEREON.—Dharmapravartha Gubbi Thotadappa Setty has built a large chattram near the Bangalore City Railway Station at a heavy cost and wishes to deposit with Government Rs. 70,100 at four per cent interest with the view of the income derived therefrom being utilized for the following purpose, namely, the maintenance and repair of the chattram, where accommodation to students and travellers will be provided and the establishment charges connected therewith and also the feeding on a limited scale of poor Veerasaiva travellers and students.

2. The object of the deposit of Rs. 70,100 offered is of a benevolent and charitable nature as contemplated in Rule III of Government Notification of the 12th February 1908 read above. The donor agrees to execute a document as required by Rule IV of the aforesaid Notification. The chattram is being largely resorted to by the general public and the charity is therefore one deserving encouragement. Under these circumstances, the Government are pleased to sanction the deposit in the Government Treasury of the sum of Rs. 70,100 (Seventy thousand and one hundred) by Dharmapravartha Gubbi Thotadappa Setty of Bangalore and the payment of interest thereon at four per cent per annum in view of the charitable object of the donor, under the rules of the Notification read above.

3. The attention of the Comptroller to Government is invited to Government Proceedings No. 624—Muz., dated 3rd April 1893 approving of the draft document to be executed by depositors. He is requested to issue needful instructions to the Deputy Commissioner, Treasury Department, Bangalore District to receive the deposit sanctioned in the foregoing para and to have the document executed by the depositor as required by Rule IV of the Notification read above.

4. Mr. Thotadappa Setty wishes that he should himself manage the charities during his life time drawing the interest half yearly and utilizing it for the purposes set forth in para 1, *supra* and proposes to communicate with Government regarding the manner in which the charities should be managed after him. The Government are pleased to comply with his request. He should maintain regular accounts of the income and expenditure and keep them and the chattram open to inspection by Government Officers.

L. ANANTASAMI RAO,
Muzrai Secretary.

To—The Comptroller to the Government of His Highness the Maharaja of Mysore.
The Deputy Commissioner, Bangalore District.
The Dharmapravartha Gubbi Thotadappa Setty of Bangalore.

Exd.—C. S.

1st Br. Table

1- 29/5/08

1907-08

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

MUZRAI

PROCEEDINGS

Dated 7th May 1908

No. 4900-2
Muz. F. 26 of 1902

Accepting the deposit at four per cent interest, of the sum of Rs. 70,100 offered by Dharmapravartha Gubbi Thotadappa Setty for the maintenance of the chattram built by him near the Bangalore City Railway Station.

GPB—23-5-08—250

G. R. S. 12]
General and Revenue Secretariat.

92 File No. 15 of 1909

Serial No.

Dewan's order

With reference to this, the Dewan desires that the Govt Advocate may be consulted as to how any violation of the condition, that the interest shall not be utilised for any other purpose, is to be dealt with — whether by returning the deposit or reducing the rate of interest or otherwise

Ke
30/7/08

Put up with the main file

CSB
1/8/08

No. 5990-3 Dated 3rd August 1908.

MYSORE GOVERNMENT
604
7/8/08
MUZRAI SECRETARIAT

& forwarded to the Govt advocate for favour of opinion

1/8/08. C. Balasundaramiyer

No: A1.
dated 6th August 08.

Muzrai Dept
7/8/08

Sd) The notification of the 12th February 1908 is silent as to whether the favourable rate of interest ceases to be payable when the income derived from the fund is not used, either wholly or in part, for the benifit of the object or institution approved by Government under para 3 of the rules. No power of enquiring into the affairs of the institution has been reserved, and the Government cannot, in my opinion, withhold the payment of interest on the mere ground of a reported misapplication of the amount of interest previously paid. It is necessary therefore to alter clause 4 of the rules so as to enable

NOTE.—Contn sheet.

GPB—50,00017—3-07

G.R.S. 12]

eneral and Revenue Secretariat.

92 File No. 15 of 1909

Serial No.

enable the Government to prevent a misuse of the ---- favourable concession granted. I may be permitted to suggest that the said clause may be worded thus:- ---

". IV. The person wishing to make a deposit under these rules shall execute a document to Government, binding himself, his heirs, executors, or administrators and the trustees, managers or agents appointed by him or them, (a) not to demand at any time the whole or any portion of the principal of the sum deposited, (b) not to use the interest payable by Government for any --- purpose other than the one named above and (c) to keep and maintain a true and correct account of the expenditure of the interest drawn, which account shall be -- open to the inspection of an officer or officers deputed for the purpose by the Government from time to time. Whenever it be found that the interest paid on the -- deposit has not been used for the benifit of the ---- institution named, the Government may withold the payment of interest unless and until the depositor, his heirs, executors or adminsistrators, or his or their trustees, submit a scheme of management which the --- Government may approve."

S. Ramanadha Rao
Govt. Advr.

6. 8. 08.

Submd No. 6670/8.8.1908
4/7/8/08

As this involves an amendment of the rules of 12 Feb 08 the file is forwarded to Govt for necessary further action.
C&B 8/8/08

NOTE—Contn. sheet

GPB—50,000—23 10-05

Serial No.

11 As regards the Query of the Deward whether in Case of Default to render accounts, the Deposit should be returned, it is submitted that one of the ~~factors~~ Considerations that influences the Decision of govt. to accept Donations at favourable rate of interest, being that the amount invested was not to be returned to the Donor, that Condition does not seem to be allowable.

12 The govt Advocate suggests withholding payment of interest altogether, till a Scheme of management is submitted and suggests modification of Cl III of the notification of the 12th February. The suggestions seem suitable.

13 It is submitted, however, that it would be more in the order of things, if a Deposit should be accepted, only after the Deed, Constituting the Charity is actually executed, binding the trustee or manager ~~of the Board~~ of the Charity to the conditions suggested by the government Advocate

NOTE—Contn. sheet

GPB—50.000—13-5-08

Serial No.

Such a course besides creating a Contract directly between the manager of the endowment and the govt would also enable us to inquire, whether the trust, as created by the instrument, is really public or private.

mdr 26/11.

Jud Secy

Secy (L) 28.11.8

14 The suggestion of the Govt advocate seems suitable -

Home. 357/08

Revenue 11033 29.11.08 15

28/11/08

Secy 26/11/08

may be incorporated in the Rules & fresh Rules issued

27/12/1908

to the Council)

16 The amendment suggested by the Govt advocate may be approved there was a proposal to require the submission of 1/1/09 an annual report of the administration of the funds.

Home 357/08

t 1

Serial No.

I think this finds a place in a recent G.O.I. order which please put up

Fris 357 of 09

KPM 1/1/09.

Ref

WLG 1/1/09

17 N. is doubtful if the file now put up is the one referred to by the 2nd Councillor. Whether authority the Govt. might have given themselves in the matter of calling for accounts from managers of charitable institutions, the present proposal aims at giving them the authority required by law.

WLG 8/1.

Second Councillor

WLG 8-1-9

18 Please see the file regarding Mysore Antiquarian Department

Fried KPM 11/1/09

Pl see my note 11-1-9

19 B.r IV or favour of Confidence putting up the file or giving its number to enable us to get it from the Record

WLG 11/1.

NOTE—Contn. sheet.

GPB—50,000—16-5-08

G. R. S. 12]
General and Revenue Secretariat.

250
47 File No. 15 of 1909 7

Serial No.	
10	The file re. Langapet-Jowai is sent up in connection. A copy of the printed order No 3568-72/Edn 2-08-2 dt 14/10/08 is put up. Please see para 4 of the order which is in accordance with the Council Resolution on the subject.
	Kim Sing 15/1/09 Brill
	15/1/09
	Sub 15/1

40
Revd 35
8/9

NOTE—Contn sheet

GPB—50 000—17-3-07

Serial No.

21 As observed by the Second Councillor an order has already issued insisting on the Subs.n of annual reports and abstracts of accounts in respect of all deposits accepted under G.O of 12-2-08. This general direction forms part of the order passed on the Lingayat Fund deposit and it is better to include it in the G.O of 12th Feb 08. A revised order incorporating this general direction in regard to the Subs.n of accounts as also the modification of rule iv suggested by the Govt Advocate & approved of by the Dewan and the Second Councillor may be put up. Possibly these alterations & additions require Corresponding changes in the form of agreement & on this point the opinion of Branch iii may be invited after the revised draft is prepared.

17.1.09

22 A draft of an amended form of G.O. No. 4007 of 12.2.1908 is put up for approval. After its approval the file may be ordered to be sent to Br III.

Q7/84-08

20/1/09

Please put up with a draft of the amended form of the bond also.

Putuch - 2/2/09

GPB—50,000—19-5-08

Serial No.

23 The file may now be sent to Br III
Please keep a fair draft in the file.
and
27-1-9

There has been a great delay in preparing the fair draft. mrk 4/2

A fair draft is put up - The file may be sent on to Br III
mrk 4/2

No/2/09 To Br III

Fl. mrii 351 08/9

25 Secd. It seems that a corresponding modification has to be made in the Board's Rule 2 to give effect to this, the following may be added after the word "Government" in para 4, the full stop appearing after the said word being converted into a Colon

"; to keep and maintain a true and correct account of the expenditure of the interest thereon, which shall be open to the inspection of the officer or officers that may be deputed by Government for the purpose from time to time and to allow the Govt to withhold the payment of interest whenever it is found that the interest is not used for the benefit of the institution named unless & until a scheme of management has been submitted, for the approval of Govt by me. My heirs, executors or administrators trustees or assigns."

26 Secd. with the files of Branch II, relating to amendment of rule 2 of the Deposit rules,

NOTE—Contn sheet.

GPB—50 000—17-3-07

Serial No.

Referring an amendment of para 2 of the bond, and Edn file No. 24-08. regard Lingaya Edn Cabin Fund

27 There was another file in connection with the same matter received from Br II for amendment of the terms of the form of the bond. Please put that up also with this one.

8.2.09. Sd

28 Para 4. may be amended as follows:— 4/-

"1. The words "of the whole or any part of" may be inserted before the words "said deposit" occurring in line 2.

29 2. Insert the figure "(1)" after the words "assigns" in line 4; convert the full stop at the end of the para into a semi colon and add the following at the end of the para:-

30 "(2) to keep and maintain a true and correct account of the expenditure of the interest drawn which shall be open to the inspection of the officer or officers that may be deputed by Government for the purpose from time to time; "and t. all

31 (3) to allow the Government to withhold the payment of interest whenever it is found that the interest is not used for the benefit of the institution named unless and until a scheme of management has been submitted, Sd to the Satisfaction Sd ~~for the approval~~ of Government by me, my heirs, executors or administrators, trustees or assigns"; and

NOTE—Contn sheet.

GPB—50 000—17-3-07

Serial No.

"(4)—and to submit to Government at the end of each calendar year a report on the administration of the charity together with an abstract of accounts."

*Home. 351/0819

19.2.09

To Branch G.

19/2

Submitted.

22/2.

23/2

The bond and the notification as amended are put up.

25/2.

33 The case is now ready to be placed before the Council

26.2.09

34 The typed Draft G.Os embodying the amendments and them in the Rules are approved. Please circulate same to Council

15 January

circulate

17/6/09

18.6.09

NOTE—Contn. sheet.

GPB—50,000—13-5-08

Serial No.

Fl. Mis. 425
8/9

than ½ /. in excess of the rate of interest allowed by the Govt of India on their securities, Rule II of the rules referred to above being modified accordingly.

DS
21/12/08

9 It is necessary to refer to the form of the agreement & the file relating to the GO. of 12-2-8. Please put up the necessary papers.

MLL
22/12/08

for info 24/12

U 10 The form of agreement vide Fl 168-208 / 184-06 G 11th July 1908 is put up. ~~& also the~~ File containing GO no 400 G 12-2-1908 / G 2-1840.

Subd
22/1/09

MLL 25/1/09

Rev on 7-1-09

X In GO of 12-2-8 the maximum rate of interest allowable on deposits on behalf of Charities is fixed at 4 p.c. and there is no provision either in that order or in the form of agreement to be

U

NOTE—Contn. sheet.

Serial No.

Causes which tend to reduce the rate of interest. A still further falling off in the rate paid by the Govt of India is not improbable and it is therefore necessary to provide for such a contingency in undertaking an obligation of the kind involved in the Concession allowed by G.O. 9 12-2-8. In these circs the ~~words~~ "~~In~~ ~~Para~~ Rule 2 sanctioned in the said Order may be revised as follows:-

"ii" The rate of interest on ~~for~~ such deposits shall in no case be more than ½ % in excess of the rate allowed by the Govt of India on their Securities and payment of interest shall be ~~payable~~ made half yearly."

Forwarded to Branch iii for favour of suggesting corresponding alterations in the form of agreement.

Init
5-1-9

Rec'd 9-1-09 (SVG)
Orn III

Subd for orders —
SV
14/1/09

I understood from Mr Mitra Rao that the

GPB—50.000—13-5-08

Serial No.

other day that other changes are necessary in the form and that a separate reference about them would be sent up. Please bring this up with them after they are received.

22.1.09. [illegible]

To Branch II)

J mis 80

W/Sec

Secy. To give effect to this, para 2 of the agreement may be amended as follows:-

"And Whereas the said Govt have agreed to pay on the deposit interest payable half-yearly at a rate which shall in no case be more than ½ % in excess of the rate allowed by the Govt of India on their securities."

20/8/09

46

The para may be amended as follows:-

"And whereas the said Government have agreed to pay on the said deposit, interest payable half-yearly at four per centum per annum subject to the condition that the said rate of interest shall not at any time be more than half per cent in excess of the rate allowed by the Government of India on the securities, and provided further that the said rate shall, under no circumstances, exceed four per cent um per annum".

47

This last proviso is added to meet the contingency of the ½ per cent

NOTE—Contn. sheet.

GPB—50.000—18-5-08

G. S. 12]
General and Revenue Secretariat.

GD File No. 15 of 1909

Serial No.

Finance 425/09

above the Govt of India rate, Exceeding 4 per cent

19.2.09

Submitted

Dewan

26.2.09

I don't like the wording of clause (3) as it stands. It may come after clause (3) and begin "It shall be lawful for the Govt &c".

2/3/09

Dewan

12145 8.3.09

I am not in favor of changing the rule as regards rate of interest. The rate of 4 p.c was fixed after mature consideration. It will savour of a breach of faith if we interfered

NOTE– Contn sheet.

GPB - 50,00017—3-07

Serial No.

Worth the while

18/2/1909

50 Clause 5 of the notification dated 12.2.1908 runs thus: "The Govt are at liberty at any time to terminate the system of receiving deposits as above for charitable purposes". This makes it clear that Govt has retained the right to make any changes in the rules for future transactions. To interfere with the rate as regards past transactions would of course savour of a breach of faith & that was not intended in my suggestion.

51 Even in the existing rules it is only laid down that "the rate of interest for such deposits shall in no case exceed 4 per cent per annum". What I suggest is that in future contracts it should also be specified that the rate of interest shall not also be more than half per cent in excess of the rate allowed by the Govt of India on their securities. There will be no breach of faith

NOTE—Contn. sheet.

GPB—50.000—18-5-08

Serial No.

in that and the parties will not also be affected in the near future for the rate of interest in G. I securities will continue for many years yet at 3½ %. But it is necessary to be careful even as regards the remote future when permanent agreements are concerned & the adoption of the suggestion will do away with the possibility of an embarassing position in future.

DR 10/3/09

(Dewan)

10-3-09

12248 10/3/09 52 Sapre - Please incorporate this in the revised draft of the Rules which is under discussion in other files - (No C 156) - Sd/- 15 June 09

DR 17/6

53 Please see portions marked A in the two drafts annd 18. 6. 9.

GPB—50.000—18-5-08

C. 156.
31. 12-08

GENERAL AND REVENUE SECRETARIAT.

COUNCIL MATTER.

SUBJECT.

Revision of Rules II & IV of the Rules issued on 12th February 1908 - providing for the deposit of moneys in Government Treasuries by private gentlemen for permanent charities - so as to enable Government to prevent a misuse of the favourable rate of interest granted by them.

Circulated to Councillors.

By Order,

C. Balasundaram
for Secretary.

31st December 1908.

K. P. Puttanna Chetty, Esq.,
First Councillor.

H. V. Nanjundayyá, Esq., M.A., M.L.,
Second Councillo

909

G.R.S. 12]
General and Revenue Secretariat.

92 File No. 15 of 1909

339
19-6-09.

Serial No.

54 Drafts may be approved —

5 As regards rule 2 now proposed, it seems to me that it will have an adverse effect on the Charitable & indue public. The certainty and constancy of the rate of interest allowed on the deposit is one of the inducements for placing the money with Government. Also the rule is one sided. The interest is not to be more than ½ percent in excess of the rate allowed by the Govt of India on their securities. This is clear enough. But to stipulate that it shall not exceed 4% under any circumstances is to have all the advantage on the side of Govt. Suppose the Govt of India raise their rate to 3¾ — Why should we not grant 3¾ + ½ = 4¼ per cent?

6 The Bank of Madras which was hitherto paying 3½% on fixed deposits has recently

NOTE—Contn. sheet.

GPB—50.000—13-5-08

Serial No.

raised 4 to 2½ all round
do me only pay the Bank rate
of interest now

57 There is a great deal of difference
between Govt of India securities and deposits accepted
by myself Govt to encourage
the flow of charity

58 The amount of deposit is
governed by Consideration of
the annual expenditure
required for the charity & the
rate of interest allowed on
the deposit Suppose the
interest is reduced at some
future time, the sum required
for the administration of the
Charity may be found insuf-
ficient and the charity
may suffer

59 If the Dewan agrees, rule
2 may be left out

Note—Contn. sheet.

GPB—50.000—13-5-08

Serial No. 100

There are two main reasons which determine the wish of Private parties to deposit money for Charities with Govt, the safety of the money invested and the certainty of a settled income. As Govt is also vitally interested in stimulating Charity directed to Proper objects, the undertaking to receive money is a praiseworthy one. The interest of 4 p.c. is not much more than what we pay for S.B. deposits, and it is less than what we Paid for loans raised in the Market. If there is a slight difference against the Government, it may be regarded as a grant-in-aid from public funds to the Charity. As Govt has the option of deciding what is an eligible Charity, we may decline to receive deposits for what we consider to be undesirable forms of it. I therefore agree with the ~~Committee~~ first Councillor's in the Suggestion that we may undertake to pay 4 p.c. interest without liability to

NOTE—Contn. sheet.

GPB—50,000—13-5-08

Serial No.

abatement. If any loan is raised I do not suppose that we shall get it for a long time to come at less than 4 p. c.

61 When we receive any deposit, the interest fixed should be permanent & not liable to change. But if we find that the rate of interest becomes too heavy compared with any investments in Govt of India Papers, Rule II in its present form allows the reduction of interest. I do not see any need for alteration at all.

62 Rule V about an annual report may be found irksome. Would not an annual statement of receipts & disbursements balance (if any) & how it has been utilised, be sufficient? If more details is required, it can be gathered from an inspection under rule 4.

63 In rule 4, I would say

NOTE—Contn. sheet.

GPB—50,000—13-5-08

G. R. S. 12]
General and Revenue Secretariat.

G7 File No. 15 of 1909

Serial No.

"(C) to Keep and maintain a true and correct account of the expenditure of the interest drawn, in such form and with such details as Govt may from time to time prescribe"

64 With these qualifications, I agree to the alterations proposed.

23/6/9

Dewan)

G7 1824-08 is detached & sent to G/S Records 27/7/04. Vide Instructions

1298 24/6/09

SB 23/6/09

NOTE—Contn. sheet.

GPB—50,000—13-5-08

prescribe as in the draft No.2 a form of document to be executed by persons depositing money with Government under these rules.

4. Both the Council

(Vide office notes)

when we receive any deposit the rate of interest should be permanent and not liable to reduction. I am however of opinion that for the reasons explained by the Financial Secretary, in the case of future deposits the Government should have the power to reduce the rate of interest, if and when, the Government of India pays less than 3½% on its securities. A contribution of more than ½% on such deposits may become too heavy a burden for the State. The Councillors observe that such charities require a settled income, and that if the rate of interest is at any time reduced, the income may be insufficient for the due fulfilment of the charity. I may however be allowed to remark that even with a fixed money income there is no guarantee that the charity can be continued for ever on the same scale. A rise in prices, for instance, will have a similar effect, and all that can be done in such cases is for the administrators to reduce the scale of expenditure.

5. The First Councillor adds that the rule that the rate of interest shall not at any time exceed 4%, and shall not also exceed the Government of India rates by more than ½% is one-sided, as it does not allow of any increase in the rate if the Government of India allows more than 3½%. I have no objection to this stipulation being omitted. If the Government of India pays more than 3½% we may pay more than 4%, although it is by no means likely that the Government of India rates will ever be increased.

6. The Second Councillor thinks that the rule requiring the submission of an annual report of the administration of the charity may be found to be irksome and suggests that obtaining of accounts of receipts and disbursement with powers of inspection may be sufficient. I am of opinion that the submission of a report should be insisted on in consideration of the contribution of ½% which the State undertakes to pay.

7. The suggestion made by the Second Councillor that accounts of expenditure should be in such form and with such details as the Government may from time

time to time prescribe may be adopted.

8. The necessary amendments have been made in the draft orders, which may be approved.

Ex. T. Macdonald
30 June 69

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Certain amendments in the rules re acceptance of deposits at favourable rates of interest.

12.

294
7-7-09

Order.

Sanctioned
KRW
3/7/09

Secy
Finance
Dept
CR

5/7/09

Secy
Finance
Dept
5/7/09

7/7/09

G. R. S. 12]
General and Revenue Secretariat.

G. F File No. 15 of 1909

Serial No.	
1	To the Comptroller " Heads of Depts " D. c's of Dts No. Fl 432-472 dt 15.7.09 Directing that the document to be executed by depositors under para (4) of the Govt order No. Fl 4007 / G.F 184-06 dt 12.2.08, as modified in Govt Notn No. Fl 472-502 dt 15.7.09, be in the form prescribed.
2	To the comptroller Heads of Depts D. c's of Dts Fl 472-502 dt 15-7-09 Directing certain modifications of rules II & IV of the rules sanctioned in G.O No. 4007 / G.F 184-06 dt 12.2.08.

Note—Contn. sheet.

GPB—50,000—18.5.08

No. 432-72 II, 15th July 09

Sl.No.15-09-1

Order:- The form of document to be executed by Depositors under para 4 of the Government Order No.Fl.4007/G.F. 184-06 dated the 12th February 1908 as modified in Government notification No. H.432-572 dated 15-7-09 shall be as hereunder:-

Draft put up 15/7/09

print

Financial Secretary to Government.

To The Comptroller,
Heads of Departments.
Dy Comrs of Districts

Translated 23/7/09

Whereas the Government of His Highness the Maharaja of Mysore have in their Proceedings No. dated agreed to accept the deposit of Rupees made by me, for the purpose of securing a permanent income for the object described below namely:-

And whereas the said Government have agreed to pay on the said deposit interest payable half yearly at four per centum per annum ~~subject to the condition that the said rate of interest shall not at any time be more than half per cent in excess of the rate~~ allowed by the Government of India on ~~the~~ their Securities, ~~and provided further that the~~ said

or at such other rate as shall not exceed by ½% the rate of interest

~~said rate shall, under no circumstances, exceed four per centum per annum~~.

And whereas, under the rules framed in Government Notification No. Fl.4007-Genl. Fin. 184-06 dated 12th February 1908, in this behalf, I am called upon to execute in favour of the said Government an undertaking binding myself, my heirs, executors, administrators, trustees and assigns to observe the conditions laid down.

Now these presents witness that I the said

...

do hereby undertake and bind myself, my heirs, executors, administrators, trustees and assigns not to withdraw or demand the return of the whole or any part of the said deposit amount of Rs. at any time whatsoever and that I do further undertake and bind myself, my heirs, executors, administrators, trustees and assigns (1) not to use or apply the interest payable on the said amount of deposit by the Government of His Highness the Maharaja of Mysore for any purpose other than the object named above, except with the previous assent and approval of the said Government.

(2) To keep and maintain a true and correct account of the expenditure

of

Khasnavis forwards the sort may please to issue prescribe,

of ~~of~~ the interest drawn which account shall be open to the inspection of the officer or officers that may be deputed by Government for the purpose from time to time.

(3) To allow the Government to with-hold the payment of interest whenever it is found in their opinion that the interest or any part of the is not used for the benefit of the institution named unless and until a scheme of management has been submitted to the satisfaction of Government by me, my heirs, executors or administrators, trustees or assigns; and

(4) To submit to Government at the end of each Calendar year a report on the administration of the charity together with an abstract of accounts"

in such form and with such details as the Govt may from time to time prescribe"

In witness thereof I the said ... ... do hereunto set my hand and signature this day of 190

In the presence of

1.

2.

Signature.

19/10/09

2 Copies

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Draft
Title
15 June 09

Publication ~~Order.~~ No R 475-502
SCR 15-09-2
15 July 09

The Government of His Highness the Maharaja of Mysore are pleased to direct that the following be substituted for rule II and rule IV of the rules sanctioned in Government Order No.4007/F.F.184-06 dated the 12th February 1908. -

"II The rate of interest for such deposits which shall be payable half yearly shall not at any time be more than ½ per cent in excess of the rate allowed by the Government of India on their Securities ~~and shall not under any circumstances exceed four per cent per annum.~~

"IV The person wishing to make a deposit under these rules shall execute a document to Government, binding himself, his heirs, executors or administrators and the trustees, managers or agents appointed by him or them (a) not to demand at any time the whole or any portion of the principal of the sum deposited (b) not to use the interest payable by Government for any purpose other than the one named above and (c) to keep and maintain a true and correct account of the expenditure of the interest drawn, ~~which~~ account shall be open to the inspection of an officer or officers deputed for the purpose by the Government from time to time. Whenever it be found that the

R-53
20-7-09
Translated Hsl 22/7/09

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in such form & with such details as the Govt may from time to time prescribe. Hsl

interest paid on the deposit has not been used for the benefit of the institution named, the Government may withhold the payment of interest unless and until the depositor, his heirs, ~~or~~ executors or administrators or his or their trustees submit a scheme of management to the satisfaction of Government."

2 The undermentioned rule will also be inserted as rule No.V.

" An annual report on the administration of the charity accompanied with abstracts of the accounts referred to in rule IV shall be submitted in respect of each deposit to which the benefit of this order is extended" ~~and~~

in such form and with such details as the Govt may from time to time prescribe,

3 ~~and~~ For convenience of reference, the Government Order No. 4007/ G.F.184-06 dated the 12th February 1908 as amended is reproduced below:-

As applications are being received from private gentlemen for the deposit of moneys in Government Treasuries on favourable rates of interest, with a view of securing a permanent income for the charities, which they have already established or contemplate establishing within the Province, the Government of His Highness the Maharaja are pleased to issue the following

following rules on the subject:-

(I) No deposit will be accepted for sums below Rs.3,000 or above Rs.100,000.

II) The rate of interest for such deposits which shall be payable half-yearly shall not at any time be more than ½ per cent in excess of the rate allowed by the Government of India on their securities ~~and shall not under any circumstances exceed four per cent per annum.~~

III Deposits will be received only on behalf of Benevolent, Charitable or Educational Institutions or objects of a kind which may be considered legitimate objects of public expenditure, Government reserving to itself the right to determine, in each case, whether the charity on behalf of which application is made, is of a character that deserved encouragement.

IV. The person wishing to make a deposit under these rules shall execute a document to the Government, binding himself, his heirs, executors or administrators, and the trustees, managers or agents appointed by him or them (a) not to demand at any time the whole or any portion of the principal of the sum deposited (b) not to use the interest payable by Government for any purpose other than the one named above and (c) to keep and maintain a true and correct account of the expenditure

in such forms and with such details as the Govt may from time to time prescribe. The

of the interest drawn, ~~which~~ account shall be open to the inspection of an officer or officers deputed for the purpose by the Government from time to time. Whenever it be found that the interest paid on the deposit has not been used for the benefit of the institution named the Government may with-hold the payment of interest unless and until the depositors, his heirs, ~~of~~ executors, or administrators or his or their trustees submit a scheme of management to the satisfaction of Government.

V. An annual report on the administration of the charity accompanied with abstracts of the accounts referred to in rule IV shall be submitted in respect of each deposit to which the benefit of this order is extended.

in such forms and with such details as the Govt may from time to time prescribe,

VI The Government are at liberty at any time to terminate the system of receiving deposits as above for charitable purposes

Print

Secretary to Government.

~~To the Board of~~ ~~To other Heads of Depts.~~

The Heads of Departments

The Dy Commissioners of Distts.

Proceedings of the Government of His Highness the Maharaja of Mysore,

No. Fl. 432-72—G. F. 15-09-1, dated Bangalore, 15th July 1909.

Order.—The form of document to be executed by depositors under para 4 of the Government Order No. Fl. 4007– G. F. 184-06, dated the 12th February 1908, as modified in Government Notification No. Fl. 473-503—G. F. 15-09-2, dated 15th July 1909, shall be as noted hereunder:—

J. S. CHAKRAVARTI,
Secy. to Govt., Financial Dept.

To—The Comptroller, Mysore Government.
The Heads of Departments.
The Deputy Commissioners of Districts.

Whereas the Government of His Highness the Maharaja of Mysore have in their Proceedings No. , dated agreed to accept the deposit of Rupees ( ) made by me, for the purpose of securing a permanent income for the object described below, namely,—

.....

.....

.....

and whereas the said Government have agreed to pay on the said deposit interest payable half-yearly at four per centum per annum or at such other rate as shall exceed by ½ per cent the rate of interest allowed by the Government of India on their securities.

And whereas, under the rules framed in Government Notification No. Fl. 4007 —G. F. 184-06, dated the 12th February 1908, in this behalf, I am called upon to execute in favour of the said Government an undertaking binding myself, my heirs, executors, administrators, trustees and assigns to observe the conditions laid down.

Now these presents witness that I the said:.....

.....

.....

do hereby undertake and bind myself, my heirs, executors, administrators, trustees and assigns not to withdraw or demand the return of the whole or any part of the said deposit amount of Rs. at any time whatsoever and that I do further undertake and bind myself, my heirs, executors, administrators, trustees and assigns (1) not to use or apply the interest payable on the said amount of deposit by the Government of His Highness the Maharaja of Mysore for any purpose other than the object named above, except with the previous assent and approval of the said Government;

(2) To keep and maintain in such form as the Government may from time to time prescribe a true and correct account of the expenditure of the interest drawn which account shall be open to the inspection of the officer or officers that may be deputed by Government for the purpose from time to time.

(3) To allow the Government to withhold the payment of interest whenever it is found in their opinion that the whole or any part of the interest is not used for the benefit of the institution named unless and until a scheme of management has been submitted to the satisfaction of Government by me, my heirs, executors or administrators, trustees or assigns; and

Financial (General Finance), dated 15th July 1909.

(4) To submit to Government at the end of each calendar year a report on the administration of the charity together with an abstract of accounts in such form and with such details as the Government may from time to time prescribe.

In witness thereof I the said .....

.....

do hereunto set my hand and signature this day of 190 .

In the presence of

1.

2.

Signature.

1909-10

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

FINANCIAL
(GENERAL FINANCE)

PROCEEDINGS

Dated 15th July 1909

No. Fl. 432-72
G. F. 15-09-1

Prescribing the form of document to be executed by depositors under para 4 of Government Order No. Fl. 4007—G. F. 184-06, dated 12th February 1908, as modified in Government Notification No. Fl. 473-503—G. F. 15-09-2, dated 15th July 1909.

GPB—7-8-09—400

Notification of the Government of His Highness the Maharaja of Mysore.

No. Fl. 473-503—G. F. 15-09-2, dated 15th July 1909.

1. The Government of His Highness the Maharaja of Mysore are pleased to direct that the following be substituted for Rule II and Rule IV of the Rules sanctioned in Government Order No. Fl. 4007—G. F. 184-06 dated the 12th February 1908:

"II. The rate of interest for such deposits which shall be payable half-yearly shall not at any time be more than ½ per cent in excess of the rate allowed by the Government of India on their securities."

"IV. The person wishing to make a deposit under these rules shall execute a document to Government, binding himself, his heirs, executors or administrators and the trustees, managers or agents appointed by him or them, (*a*) not to demand at any time the whole or any portion of the principal of the sum deposited, (*b*) not to use the interest payable by Government for any purpose other than the one named above and (*c*) to keep and maintain a true and correct account of the expenditure of the interest drawn in such form and with such details as the Government may from time to time prescribe. The account shall be open to the inspection of an officer or officers deputed for the purpose by the Government from time to time. Whenever it be found that the interest paid on the deposit has not been used for the benefit of the institution named, the Government may withhold the payment of interest unless and until the depositor, his heirs, executors or administrators or his or their trustees submit a scheme of management to the satisfaction of Government."

2. The undermentioned rule will also be inserted as Rule No. V:—

"An annual report on the administration of the charity accompanied with abstracts of the accounts referred to in Rule IV in such form and with such details as the Government may from time to time prescribe, shall be submitted in respect of each deposit to which the benefit of this Order is extended."

3. For convenience of reference, the Government Order No. Fl. 4007—G. F. 184-06, dated the 12th February 1908, as amended, is reproduced below:—

"As applications are being received from private gentlemen for the deposit of moneys in Government Treasuries on favorable rates of interest with a view of securing a permanent income for the charities which they have already established or contemplate establishing within the Province, the Government of His Highness the Maharaja are pleased to issue the following rules on the subject:—

I. No deposit will be accepted for sums below Rs. 3,000 or above Rs. 1,00,000.

II. The rate of interest for such deposits which shall be payable half-yearly shall not at any time be more than ½ per cent in excess of the rate allowed by the Government of India on their securities

III. Deposits will be received only on behalf of Benevolent, Charitable or Educational Institutions or objects of a kind which may be considered legitimate objects of public expenditure, Government reserving to itself the right to determine, in each case, whether the charity on behalf of which application is made, is of a character that deserved encouragement.

IV. The person wishing to make a deposit under these rules shall execute a document to the Government, binding himself, his heirs, executors or administrators, and the trustees, managers or agents appointed by him or them, (*a*) not to demand at any time the whole or any portion of the principal of the sum deposited, (*b*) not to use the interest payable by Government for any purpose other than the one named above and (*c*) to keep and maintain a true and correct account of the expenditure of the interest drawn in such form and with such details as the Government may from time to time prescribe. The account shall be open to the inspection of an officer or officers deputed for the purpose by the Government from time to time. Whenever it be found that the interest paid on the deposit has not been used for the benefit of the institution named, the Government may withhold the payment of interest unless and until the depositor, his heirs, executors or administrators or his or their trustees submit a scheme of management to the satisfaction of Governmen